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Before the
Federal Communications Commission
Washington, D.C. 20554

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DEC - 9 2002

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

Rules and Regulations Implementing the
Telephone Consumer Protection Act of 1991

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CG Docket No. 02-278
CC Docket No. 92-90

COMMENTS OF SCHOLASTIC INC.

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SUMMARY

Scholastic Inc. (“Scholastic”) believes that the Commission’s current approach of company-by-company do-not-call lists remains far preferable to a national Do-Not-Call (“DNC”) List. However, if a national DNC List is established, Scholastic urges the Commission to adopt the type of established business relationship (“EBR”) exception that will allow Scholastic, for at least three years after the customer receives or pays for a product or service, to continue to contact consumers who have chosen to do business with it, even if such consumers have signed up for the national DNC List. Precluding all contact between such a business and its customer would void the exception reflected in the TCPA rules for established business relationships and would go against consumer expectations.

Second, the Commission should adopt an exemption for the telemarketing of educational materials. Congress has recognized the importance of preserving and promoting the distribution of children’s educational materials. For example, children’s educational materials are exempt from distribution restrictions set out in the No Child Left Behind Act of 2001. The Commission should follow this lead by exempting children’s educational materials from the scope of any national DNC List.

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COMMENTS OF SCHOLASTIC INC.

I. Background

A. Company Background

Scholastic Inc. (“Scholastic” or the “Company”), submits these comments in response to the Commission’s Notice of Proposed Rulemaking in the above-referenced dockets, FCC 02-250 (the “NPRM”). Scholastic, in its 82nd year of operation, is a global children’s publishing and media company whose corporate mission is to instill a love of reading and learning in children. The Company is the world’s largest publisher and distributor of children’s books and the leading operator in the United States of direct-to-home book clubs primarily serving children ages five and under. As of May 31, 2002, the Company employed approximately 7,200 people in full-time jobs and 900 people in hourly or part-time jobs in the United States and approximately 2,500 people internationally.

Scholastic plays an instrumental role in bringing books and educational materials to children. In fiscal year 2001, the Company distributed more than 320 million children’s books in the U.S. One of the Company’s distribution channels is its direct-to-home division, which brings such recognizable properties as Clifford the Big Red Dog, The Magic School Bus, Dr. Seuss, and Winnie the Pooh directly to parents and their children by delivery through the mail. Telemarketing generates approximately one-third of the Company’s direct-to-home division’s revenues. Scholastic

also supports children's learning by providing quality, age-appropriate resources, products and services designed to help children learn in schools and at home.

B. Scholastic's Telemarketing Efforts.

As one of the leading providers of children's books and materials through telemarketing, Scholastic has found that parents and families welcome telemarketing as a convenient way to obtain value priced educational materials. With so many satisfied customers, Scholastic knows that busy parents of young children appreciate the ease that comes with being contacted by Scholastic, a company they know and trust, over the phone to purchase books for their children. Approximately 47 percent of Scholastic's telephone sales of children's books and related materials are to parents of young children who are purchasing the Company's products for the first time. Further, many of Scholastic's telemarketing customers are interested in continuing their business relationship with the Company; almost 66 percent of Scholastic's direct-to-home customers have responded favorably to a telemarketing solicitation for another book club program.

Additionally, the Company's telemarketing enables families with young children to purchase quality books at a reduced price. For example, while the comparable retail price of many Dr. Seuss titles is \$8.99, parents can purchase the same books via telemarketing for only \$1.50 each in Scholastic's introductory book club offers. In total, Scholastic's direct-to-home telemarketing sells more than 20 million affordable books annually. In addition to making books affordable, Scholastic's telemarketing makes discount children's books accessible, a particular benefit for the Company's approximately 1.5 million customers who live in rural America and who may not have access to discount bookstores.

C. Scholastic's TCPA Compliance

Scholastic has implemented reasonable practices and procedures to comply with the Telephone Consumer Protection Act of 1991¹ and the FCC's accompanying rules. In some cases these measures surpass what is required by the TCPA in order to mitigate any intrusiveness of its telemarketing efforts. First, the Company's sales representatives undergo extensive training in how to handle do-not-call ("DNC") requests, disclosure requirements, and other related compliance issues. To emphasize the importance of compliance, these representatives also are required to sign a statement confirming that the DNC policy was reviewed with them and that they will comply with it. Sample TCPA training documents Scholastic has used in the past are attached hereto as Exhibits A and B.²

In addition, although not required to do so, Scholastic restricts its weekend solicitation from 9:00 ~~am~~ to 5:00 pm on Saturdays and does not solicit on Sundays. Scholastic subscribes to the Direct Marketing Association's ("The DMA's") Telephone Preference Service list. To prevent unintentional telemarketing to wireless phones, Scholastic subscribes to the wireless block identifier file from The DMA. Neither Scholastic nor its contractors use devices to block its number from being recognized by caller identification technologies. Scholastic has never received a complaint that it or its agents hung **up** on a caller before he or she could assert a DNC request.

Scholastic also takes measures to comply with the various state do-not-call lists. Telemarketing lists are matched to a file of all state DNC lists, and any "hits" to these lists are dropped from the Company's telemarketing lists, unless exempted by the particular state's DNC law. In sum, as **a** function of its high volume of repeat customers, Scholastic is committed to responsible and responsive telemarketing practices.

¹ Pub. L. No. 102-243, 105 Stat. 2394 (the "TCPA").

² These documents were produced prior to Scholastic's acquisition of Grolier, Inc. in 2000 and are in the process of being updated.

11. Summary of Argument

As they did in the Federal Trade Commission's pending proceeding on amendments to its Telemarketing Sales Rule, other parties will assert the many legal and policy reasons why the Commission should not reverse its decision in 1992 not to adopt a national Do-Not-Call List ("DNC List"),³ including its cost, complexity, preemption concerns, and the availability of more narrowly-tailored alternatives. Scholastic is in general agreement with those arguments and will not repeat those extensive arguments here. The Company believes that the Commission's current approach of company-by-company do-not-call lists remains the best approach and agrees that a national DNC List should not be adopted for the above reasons. However, if a national DNC List is established, Scholastic urges the Commission to consider two critical issues. First, the Commission should adopt the type of established business relationship ("EBR") exception that will allow the Company, for a reasonable period of time after receipt of or payment for a product or service by the consumer, to continue to contact consumers who have chosen to do business with it, even if such consumers have signed up for the national DNC List. Second, the Commission should adopt an exemption for the telemarketing of educational materials.

A reasonable EBR exception for a period of no fewer than three years from the last time the consumer receives or pays for a product or service is fully consistent with consumers' expectations about the marketing practices of a company in whose products the consumer has demonstrated an affirmative interest. Simply precluding all contact between such a business and its customer effectively would void the exception reflected in the TCPA rules for established business relationships and would go against consumer expectations. The necessity of a reasonable EBR exception is particularly acute where consumers have signed up for a national DNC List, because

³ *Rules and Regulations Implementing the Telephone Consumer Protection Act of 1991, Report and Order*, 7 FCC Rcd 8752 (1992) (the "TCPA Order").

those consumers probably would not realize that they would no longer receive calls from trusted companies with whom they do business.

In addition, any Commission-adopted national DNC List should permit companies to offer educational materials to families. Congress has recognized the importance of preserving and promoting the distribution of children's educational materials. For example, children's educational materials are exempt from distribution restrictions set out in the No Child Left Behind Act of 2001.⁴ The distribution of educational materials helps enrich the learning experience of young children. The Commission should follow this lead by exempting solicitations for children's educational materials from the scope of any national DNC List.

111. The Commission Should Preserve a Reasonable Established Business Relationship Exception to the TCPA Rules and to a National DNC List if one is Adopted.

In the NPRM, the Commission seeks comment on whether to reconsider its adoption in the TCPA Order of an exception to its restrictions on telephone solicitation in the case of an EBR between the marketer and the consumer, and whether the Commission should clarify the type of inquiry that creates an EBR.⁵ Current Commission rules define an EBR as “a prior or existing relationship formed by a voluntary two-way communication between a person or entity and a residential subscriber with or without an exchange of consideration, on the basis of an inquiry, application, purchase or transaction by the residential subscriber regarding products or services offered by such person or entity, which relationship has not been previously terminated by either party.”⁶

The Commission should retain the reasonable EBR exception to its TCPA rules, particularly if a national DNC List is adopted. Allowing the current version of the exception is consistent with

⁴ 20 U.S.C. § 1232(h)(c)(4) (the “NCLB Act”).

⁵ *NPRM*, at ¶ 34.

⁶ 47 C.F.R. § 64.1200(f)(4).

the consumer expectations the TCPA and its associated rules are designed to match.’ As the Commission found in the TCPA Order, “a solicitation to someone with whom a prior business relationship exists does not adversely affect subscriber privacy interests,” and could be “deemed to be invited or permitted by a subscriber in light of the business relationship.”⁷ The legislative history illustrates that drafters of the TCPA took a broad view of the kind of interaction triggering an EBR.’ Rather than narrow the contours of the EBR exception, the Commission should clarify that a customer’s request to preview a product that he or she ultimately elects not to retain is sufficient to trigger the exception. In these situations, consumers take an affirmative action to either return or pay for the product; consumers’ privacy interests are not unduly affected by solicitation where the consumer affirmatively has demonstrated an interest in the company’s products.

Retaining a reasonable EBR exception and applying it to a national DNC List also would be consistent with the approximately **28** State DNC laws containing such an exception, including those in Alabama, Alaska, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Idaho, Illinois, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Minnesota, Missouri, New York, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Utah, Vermont, Wisconsin and Wyoming.

A subscriber’s election to sign up for a national DNC database should not extinguish the EBR exception for purposes of telephone solicitation. In other words, if telephone subscribers place their numbers on the national DNC List, businesses ~~with~~ which they have an established business relationship should be able to contact them. First, as a matter of statutory interpretation, an alternate interpretation (*i.e.*, allowing a DNC request to cut off all telephone solicitation) would render void Section 227(a)(3)(B) of the TCPA, which excepts from the definition of “telephone solicitation”

⁷ H.R. Rep. No. 102-317 (1991), LEXIS 102 H. Rpt. 317 (the “House Report”) at 18 (“In sum, the Committee believes the test to be applied must be grounded in consumers’ expectation of receiving the call.”).

⁸ TCPA Order, at ¶ 34.

⁹ House Report, at 17 (“In the Committee’s view, an ‘established business relationship’ also could be based on upon any prior transaction, negotiation, or inquiry between the called party and the business entity that has occurred during a reasonable period of time.”).

calls made to any person with whom the caller has an EBR.¹⁰ If calls made by entities with whom the called party has an EBR were subject to the TCPA by virtue of a request to be placed on the national DNC List, Section 227(a)(3)(b) simply would have no meaning, violating a fundamental canon of statutory construction.”

Second, allowing a national DNC List request to “trump” the EBR exception would be inconsistent with consumers’ expectations. A consumer signing up for a company-specific DNC List intends to prevent solicitations from that specific company.¹² However, it is highly suspect to conjecture that a consumer who signs up for a national DNC List in an effort to reduce the volume of telephone solicitations would think that such an act would bar the trusted companies with whom he or she currently does business from contacting him or her about additional offers or renewals. After all, this consumer has affirmatively demonstrated an interest in those businesses’ offerings.

Third, maintaining the EBR exception in the national DNC List context is consistent with the Commission’s holdings. In the TCPA Order, the Commission addressed application of the EBR exception to the *company-spec*@ DNC List in determining that a business may not make telephone solicitations to an existing or former customer who has asked to be placed on that company’s do-not-call list.¹³ It is clear that extending that theory to a *national* DNC List would counter congressional intent and frustrate consumers’ expectations. As matters of policy and statutory interpretation, the national DNC List should not override the specific exception for existing business relationships that Congress included in the TCPA.

¹⁰ 47 U.S.C. § 227(a)(3)(B).

¹¹ See, e.g., NORMAN J. SINGER, SUTHERLAND STATUTORY CONSTRUCTION, §46.06(6” ed. 2000) (“A statute should be construed so that effect is given to all its provisions, so that no part will be inoperative or superfluous . . .”).

¹² If, in response to a telephone solicitation, a Scholastic subscriber asks to be taken off the Company’s list, Scholastic ceases to make telephone solicitations to that person, notwithstanding an ongoing business relationship.

¹³ TCPA Order, at nn.47, 63.

With respect to the EBR exception's time limitation,¹⁴ Scholastic urges that, for transactions, an established business relationship exception exist for at least three years following the last receipt of or payment for a product or service by the customer. Parents who have purchased books from the Company typically are interested in purchasing age-appropriate new books from Scholastic as their child gets older. For requests for information, an EBR exception should exist for at least six months from a request for information. When parents have expressed interest in the Company or its products (such as whether Scholastic carries a new Berenstain Bear title), the "reasonable amount of time" that Congress identified in the legislative history as a permissible time period in which to respond to such requests" should be at least six months. Preserving the ability to contact consumers for six months allows companies such as Scholastic to inform consumers of the availability of new products similar to the ones in which they've expressed an interest, while remaining consistent with consumer expectations and cognizant of telephone subscriber privacy interests.

IV. The Commission Should Establish an Exemption to Any National Do-Not-Call List for Telemarketing of Children's Educational and Related Materials.

Scholastic respectfully requests that the Commission consider an exemption from any national DNC List for the telemarketing of children's educational and related materials. Such an exemption would preserve an important channel of distribution of affordable educational materials, be within the scope of the Commission's broad discretion in designing a national DNC List, and complement Administration and congressional initiatives to promote childhood learning, similar to the exemption for distribution of children's educational materials from the restrictions of the No Child Left Behind Act of 2001.¹⁶ Scholastic proposes that the FCC exempt from a national DNC List telemarketing educational materials, the definition of which is modeled on the definition of similarly exempt materials in the NCLB Act. Scholastic proposes the following definition:

¹⁴ NPRM, at ¶ 34.

¹⁵ House Report, *supra* note 6, at 17; *see also supra* text accompanying note 8.

¹⁶ Pub. L. No. 107-110, 115 Stat. 1425 (2002) (the "NCLB Act").

*CHILDREN’S EDUCATIONAL AND RELATED MATERIALS. — Materials with the purpose of providing educational and related products or services for, or to, children or educational institutions including **book** clubs, magazines, and programs providing access to low-cost literary and related products.*

Promoting reading by students is a national priority. Congress determined that even a student privacy law should not interfere with this important goal. Telemarketing for these limited purposes should likewise be exempt from the DNC List.

Families with young children rely on this distribution mechanism as a means to receive engaging products designed to introduce children to reading and learning at the earliest stages. Specifically, parents who participate in the Company’s programs trust Scholastic, because parents know that the titles offered are selected by experts in the field of child development and education. These programs also offer families access to affordable children’s products that they may not otherwise be able to obtain; for example, the Company offers age-appropriate collections of materials that are not always available as compilations in the retail environment. Parents are given an opportunity to preview books, and return them with no financial consequence. If a customer objects to a particular telephone solicitation, the current company-specific DNC List provides that customer with an easy mechanism for preventing further communication. The repeat business rates testify to consumers’ receptivity to Scholastic’s telemarketing efforts; current customers include over 700,000 families who ordered a new product over the phone after having previously purchased from the Company.

Further, the demographics of Scholastic’s direct-to-home customers demonstrate why a national DNC List is overbroad and should not be adopted or, if it is, why providers of children’s educational materials should be exempted from it. Over half of Scholastic’s direct-to-home customers have a combined income of less than \$35,000 per year. Scholastic submits that by signing up for a national DNC List, many new parents, including lower income parents, would not recognize that they will be foregoing access to a convenient and economical means of accessing enriching educational materials for their children. Busy parents of children ages five and under may

not otherwise be aware that children’s books can be conveniently delivered directly to their home at a competitive price. Many parents remember the titles that they grew up reading and welcome an affordable opportunity to share these titles with their own children. In light of these considerations, and the many others that will be raised by other commenting parties, Scholastic submits that the company-specific DNC List is sufficient to balance the interests of consumers who want to receive such calls and of those who object to such solicitation.” At the very least, the Commission should exempt distribution of children’s educational materials from any national DNC List.

The Commission can recognize the importance of educational materials to children’s learning in designing the reach of any national DNC List.¹⁸ The grant of statutory authority in the TCPA to consider a national DNC List is a broad one; the Commission is charged with “compar[ing] and evaluat[ing] alternative methods and procedures . . . individually or in combination. . . and in terms of their cost and other advantages and disadvantages” for protecting privacy of telephone subscribers.” Congress explicitly instructed the Commission, in developing its regulations on protection of privacy, to “implement methods and procedures that the Commission determines are most effective and efficient to accomplish the purposes of [the TCPA].”” The legislative history underscores the “latitude” Congress granted to the Commission in the TCPA.²¹ With respect to a national list, Congress indicated its interest in a national electronic database but observed that the “Commission’s rulemaking may disclose additional information unavailable to the

¹⁷ NPRM, at ¶ 14.

¹⁸ Scholastic notes the legislative history indicating that Congress did not intend for the Commission to exempt specific businesses from a national database. House Report at 27. However, the Commission would be within its statutory authority under the TCPA and the Administrative Procedure Act to exempt specific products from a national DNC List, if the Commission determined that sale of such products did not pose risks to telephone subscriber privacy, which the TCPA was designed to address.

¹⁹ 47 U.S.C. § 227(c)(1)(A).

²⁰ 47 U.S.C. § 227(c)(1)(E).

²¹ House Report, at 22.

Committee.”²² The Commission must consider the statutory factors, but otherwise has discretion to consider whether and how a national DNC List is to be designed.

Exempting providers of children’s educational and related materials from any national DNC List also would be consistent with other congressional and Commission initiatives to promote learning. The Commission’s rules and policies already contain several provisions to promote access to educational materials. For instance, valuable spectrum in the 2500 MHz band is reserved to instructional television fixed service licensees, either for instructional purposes or to lease to for-profit entities.²³ Similarly, current law and the Commission’s regulations provide billions of dollars annually to most schools and libraries in the U.S. to obtain affordable telecommunications and Internet access through the Libraries Universal Service Support Mechanism.²⁴ Exempting distributors of children’s educational materials would complement these Commission and other Administration-wide educational initiatives.

V. Other Items for Comment

A. Predictive Dialers.

The Commission seeks comment on the legitimate business or speech interests of predictive dialer technologies.²⁵ Scholastic submits that the tremendous efficiency gains of predictive dialer technologies can and should be balanced against any intrusiveness on consumer privacy interests.²⁶ In this regard, Scholastic’s experience with and use of predictive dialers are instructive. In 1994, the Company’s transition from a manual call center to predictive dialer technology resulted in productivity gains of 30 percent. Today, its current per campaign abandoned call rate is

²² *Id.*

²³ *See*, generally, Subpart I of the Commission’s rules, 47 C.F.R. § 74.901 *et seq.*

²⁴ *See* <http://www.universalservice.org/default.asp>

²⁵ NPRM, at ¶ 15.

²⁶ For the very same efficiency reasons, and with no impact on the residential subscriber privacy concerns that prompted enactment of the TCPA, Scholastic also urges the Commission not to adopt any further rules to restrict the use of autodialers to call business telephone numbers. NPRM, at ¶ 25. Scholastic’s outreach to schools represents a major channel for distributing books to students; Scholastic opposes any measures that would restrict this valuable distribution mechanism that complements schools’ curricula.

approximately three percent. Scholastic submits that substantial productivity gains with minimal intrusiveness are consistent with the Commission's goal of "improv[ing] [its] TCPA rules" while "avoiding imposing unnecessary burdens on the telemarketing industry." Accordingly, Scholastic urges the Commission not to ban predictive dialer technology. If an abandoned call rate is set, it should be consistent with technology's practical limitations.

B. Network Technologies.

The Commission requests comment on the evolution of technologies that can help assist consumers in avoiding undesired calls.²⁸ Much progress has been made in empowering consumers with tools to reduce such calls, including more sophisticated Caller ID systems. Scholastic urges the Commission to take note of continuing advances in this area; technologies are now or soon will be in development that allow consumers to make their own decisions, call by call, about whose companies' calls they wish to accept.

Consumer-driven choices are much preferable, and far less intrusive on the legitimate commercial and First Amendment rights of firms that conduct telemarketing than overly broad government regulation, such as a national DNC List. Network technologies that empower consumers would require none of the administrative problems of a national database, and almost certainly would be much less expensive than a national DNC List, the annual cost for which the Commission estimated at \$20 million to \$80 million dollars in the first year alone." The Commission should make incremental changes to its TCPA Rules in the instant proceeding so that its regulations are not soon rendered obsolete by technology. In the alternative, the Commission should build in a mechanism to evaluate the effectiveness and continuing necessity of any comprehensive changes, such as a national DNC List."

²⁷ NPRM, at ¶ 1.

²⁸ NPRM, at ¶ 21.

²⁹ TCPA Order, at ¶ 11.

³⁰ Scholastic notes that the FTC's proposal for a national DNC List includes a two-year trial period to study its effectiveness. Telemarketing Sales Rule; Proposed Rule, 67 Fed. Reg. 4492 (proposed January 30, 2002) (to be codified at 16 C.F.R. pt. 310) at 4517.

C. Faxing

Scholastic urges the Commission to adhere to its treatment of a prior business relationship between a fax sender and recipient as establishing the requisite implied consent for the sender to transmit facsimile advertisements.³¹ As the Commission pointed out, this interpretation has served as an effective exemption from the restriction on unsolicited fax advertisements for established business relationships.³² Scholastic communicates with schools by fax to offer educational materials that complement the schools' curricula. Only schools with which Scholastic has an established business relationship receive its faxes. The Company maintains a "do-not-fax" list, and fewer than three percent of the intended fax recipients request not to receive future fax solicitations. As the Commission twice before concluded, a fax transmission can be deemed to be invited or permitted by the recipient, and the subscriber privacy concerns underlying the TCPA are much less acute in the case of an ongoing relationship, particularly between businesses." However, if the Commission revisits its determination that a fax recipient has implicitly consented to receipt of faxes from businesses with which it has a business relationship, Scholastic again requests an explicit exemption for faxes offering children's educational materials to libraries and educational institutions. Restricting fax transmissions relating to children's educational materials would be at odds with the NCLB Act and other Administration efforts to improve the educational resources available to improve learning.

³¹ NPRM, at ¶ 39.

³² NPRM, at ¶ 39.

³³ TCPA Order, at n.87; *Rules and Regulations Implementing the Telephone Consumer Protection Act of 1991*, 10 FCC Rcd 12391,737 (1995).

Respectfully submitted,

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A handwritten signature in black ink, appearing to read "Ronald Plesser", written over a horizontal line.

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Its Attorneys

December 9, 2002

EXHIBIT A

TELEPHONE CONSUMER PROTECTION ACT

TCPA GUIDELINES 1991

Legislation Has Been Passed To Honor Customers' Requests To Be Taken Off Our Data Base

“Do Not Call” - “Take My Name Off the Calling List”

If a customer states that they don't want any other telemarketing solicitation from Grolier, you should politely, apologize and state: “OK Mr./Mrs. Smith, I will process this request. For your information, it will take about a week to process this request. Sorry for the inconvenience **of** this call.”

This should be coded as a “Critical 10” on the Refusal Page.

You should follow the same procedure if the customer states: **“Do not call me again”, “Remove my name from your list”, “I do not want to do business” or “Death in family (parent or child)”**.

If a customer states that they have already requested to be taken off the list, politely apologize and state: “I'm sorry for the inconvenience. I will process your request immediately. Are there any other accounts under different names you may be receiving products from?”

Fill out the Critical Refusal form including customer name, address, phone number and the specific reason if the customer is extremely irate, threatening legal action or if there is the death of an immediate family member. The forms must be given to the clerical staff and will then be forwarded to the Customer Service Department.

CUSTOMER SERVICE FORM / REMOVE FROM LIST

MILFORD CENTER

JOB # _____

INSTRUCTIONS:

- Please complete form as thoroughly as possible.
- Make certain you have the correct spelling of the customer's name.
- Make certain that the last name is the same.
- Remember to add the Zip Code information.
- Place the completed form in the wire basket on the shelf along the back wall (under the clocks).

DATE: _____

REP ID# _____

TYPE OF CHANGE (please circle):

COMPUTER CODED: _____

Address

Remove from list

Please contact

Other: _____

CURRENT INFORMATION:

Customer's FULL Name: _____

Child's Name (First AND Last): _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

Telephone Number: _____

NEW INFORMATION (if changed):

Customer's FULL Name: _____

Child's Name (First AND Last): _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

CUSTOMER ACCOUNT NUMBER (whenever possible): _____

COMMENTS: _____

IF CRITICAL REFUSAL, REASON FOR REMOVAL FROM LIST: _____

EXHIBIT B

I acknowledge that I have received a copy of the "Call Specification Guide" outlining policies and procedures related to my employment. This has been explained to me in detail.

Employee signature

date

**PERSONNEL COMPLIANCE STATEMENT
FOR TCPA OF 1991**

I, the undersigned, as a member of Scholastic Direct Marketing, acknowledge that I have been trained on the "Do Not Call" policy that has been established as compliance to the TCPA of 1991. I will follow this policy to insure the privacy rights of the customers and/or non-customers as these rights relate to our telemarketing business.

Signed: _____

Print Name

Date: _____